

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS
OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30

| | | | |
|---|------------------------------------|---|-------------------------------|
| 1. REQUISITION NUMBER | | PAGE 1 OF <u>26</u> | |
| 2. CONTRACT NO. FERC02- C-22143 | 3. AWARD/EFFECTIVE DATE 11/6/01 | 4. ORDER NUMBER | 5. SOLICITATION NUMBER |
| 7. FOR SOLICITATION INFORMATION CALL: | | 6. SOLICITATION ISSUE DATE | 8. OFFER DUE DATE/ LOCAL TIME |
| 9. ISSUED BY Federal Energy Regulatory Commission 888 1st Street, N.E. - Rm-41-29 Washington, D.C. 20426 | | 10. THIS ACQUISITION IS <input type="checkbox"/> UNRESTRICTED <input type="checkbox"/> SET ASIDE: % FOR <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> SMALL DISAV. BUSINESS <input type="checkbox"/> 8(A) SIC: SIZE STANDARD: | |

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|--|--|----------------------------------|--|
| 11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED <input type="checkbox"/> SEE SCHEDULE | | 12. DISCOUNT TERMS | |
| 13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) | | 13b. RATING | |
| 14. METHOD OF SOLICITATION <input type="checkbox"/> RFQ <input type="checkbox"/> IFB <input type="checkbox"/> RFP | | 15. DELIVER TO CODE | |
| 16. ADMINISTERED BY CODE | | 17a. CONTRACTOR/ OFFEROR CODE | |

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| 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER <input type="checkbox"/> | | 18a. PAYMENT WILL BE MADE BY CODE | |
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| 18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM | | 19. ITEM NO. | |
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| 20. SCHEDULE OF SUPPLIES/SERVICES | | 21. QUANTITY | | 22. UNIT | | 23. UNIT PRICE | | 24. AMOUNT | |
|-----------------------------------|--|--------------|--|----------|--|----------------|--|------------|--|

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|---|--|--|--|--|--|--|--|--------------|--|
| Preparation of Cost Benefit Analysis of Regional Transmission Organizations | | | | | | | | \$244,611.00 | |
| (Attach Additional Sheets as Necessary) | | | | | | | | | |

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|---------------------------------------|--|--|--|--|--|---|--|--|--|
| 25. ACCOUNTING AND APPROPRIATION DATA | | | | | | 26. TOTAL AWARD AMOUNT (For Govt. Use Only) \$244,611.00 | | | |
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| 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3 AND 52.212-5 ARE ATTACHED. | | | | | | 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4, FAR 52.212-5 IS ATTACHED. ADDENDA | | | |
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| 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN <u>3</u> TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN | | | | | | 29. AWARD OF CONTRACT: REFERENCE <u>3</u> OFFER <input type="checkbox"/> DATED <u> </u> YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH | | | |
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| 30a. SIGNATURE OF OFFEROR/CONTRACTOR | | | | | | 31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER) | | | |
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| 30b. NAME AND TITLE OF SIGNER | | | | | | 30c. DATE SIGNED | | | |
| 31b. NAME OF CONTRACTING OFFICER | | | | | | 31c. DATE SIGNED | | | |

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|--|--|--|--|--|--|--|--|--------------------|--|---------------------------------|--|
| 32a. QUANTITY IN COLUMN 21 HAS BEEN <input type="checkbox"/> RECEIVED <input type="checkbox"/> INSPECTED <input type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED | | | | | | 33. SHIP NUMBER <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL | | 34. VOUCHER NUMBER | | 35. AMOUNT VERIFIED CORRECT FOR | |
|--|--|--|--|--|--|--|--|--------------------|--|---------------------------------|--|

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| 32b. SIGNATURE OF AUTHORIZED GOVT. REPRESENTATIVE | | | | | | 32c. DATE | | 36. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL | | 37. CHECK NUMBER | |
| 38. S/R ACCOUNT NUMBER | | | | | | 39. S/R VOUCHER NUMBER | | 40. PAID BY | | | |

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| 41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT | | | | | | 42a. RECEIVED BY (Print) | | | | | |
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| 41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER | | | | | | 41c. DATE | | | | | |
| 42b. RECEIVED AT (Location) | | | | | | 42c. DATE REC'D (YY/MM/DD) | | | | | |
| 42d. TOTAL CONTAINERS | | | | | | | | | | | |

AUTHORIZED FOR LOCAL REPRODUCTION

SEE REVERSE FOR OMB CONTROL NUMBER AND PAPERWORK BURDEN STATEMENT

STANDARD FORM 1449 (10-95)
 Prescribed by GSA - FAR (48 CFR) 53.212

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

B.01 Description of Service

This is a cost reimbursement contract to provide to the Federal Energy Regulatory Commission a cost benefit analysis for the Regional Transmission Organization initiative that addresses issues identified and defined by the FERC staff. The contractor shall furnish the necessary personnel, facilities, equipment, material, supplies and services (except as may be expressly set forth in this contract as furnished by the government) to accomplish the objectives and requirements of Section J, Attachment II, Statement of Work, entitled Preparation of Cost Benefit Analysis of Regional Transmission Organizations".

B.02 Supplies/Service and Prices/Costs

Period: November 8, 2001 through April 8, 2002

| <u>Clin</u> | <u>Description</u> | <u>Est.Labor Hr.</u> | <u>Est. Cost</u> |
|-------------|--|----------------------|------------------|
| 001 | Framing the Problem | 214 | \$25,048 |
| | Fixed Fee: \$2,281.00 Other Direct Cost: \$297.00 | | |
| | Total Cost Plus Fixed Fee | | \$27,626 |
| 002 | Base Case Development | 640 | \$56,110 |
| | Fixed Fee:5,090.00 Other Direct Cost: \$446.00 | | |
| | Total Cost Plus Fixed Fee | | \$61,646 |

| | | | |
|-----|----------------------------------|-----|-----------------|
| 003 | Development of Scenarios | 248 | \$23,887 |
| | Fixed Fee: \$2,169.00 | | |
| | Other Direct Cost: \$208.00 | | |
| | Total Cost Plus Fixed Fee | | \$26,264 |
| 004 | Meetings | 144 | \$16,197 |
| | Fixed Fee: \$1,495.00 | | |
| | Other Direct Cost: \$416.00 | | |
| | Total Cost Plus Fixed Fee | | \$18,108 |
| 005 | Model Runs | 624 | \$54,721 |
| | Fixed Fee: \$4,962.00 | | |
| | Other Direct Cost: \$416.00 | | |
| | Total Cost Plus Fixed Fee | | \$60,099 |
| 006 | Cost Impact Analysis | 474 | \$46,251 |
| | Fixed Fee: \$4,200.00 | | |
| | Other Direct Cost: \$416.00 | | |
| | Total Cost Plus Fixed Fee | | \$50,867 |

PAYMENT OF FIXED FEE: The Government shall make payments to the Contractor when requested as work progresses, but not more frequently than bi-weekly, on account of the fixed fee, equal to 9.00% of amounts invoices by the Contractor under the "Allowable Cost and Payment" clause hereof for the related period subject to the withholding of paragraph (b) of the "Fixed Fee" clause. In the event of discontinuance of the work in accordance with the clause of this contract "LIMITATION OF FUND", the fixed fee shall be redetermined by mutual agreement equitable to reflect the diminution of the work performed, the amount by which such fixed fee is less than or exceeds payments previously made on account of fee and that amount shall be paid to or repaid by the Contractor, as the case may be.

B.03 Option to Extend the Term of the Contract Services

The period of performance of this contract may be extended, at the unilateral discretion of the government, by the Contracting Officer giving written preliminary notice of extension to the contractor within the period specified in this contract and at least 30 days prior to contract expiration. The preliminary notice does not commit the government to such an extension. The total duration of this contract shall not exceed 6 months from the commencing date of November 6, 2001.

SECTION C

DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

C.01 Basic items Clin 001 through 003 identified under B.02 Supplies/Service and Prices/Costs shall be performed in accordance with the attached statement of work, Section J attachment) entitled "Preparation of Cost Benefit Analysis of Regional Transmission Organizations".

SECTION D
PACKAGING AND MARKING

D.01 Packaging

Preservation, packaging, and packing for shipment or mailing of all work deliverable hereunder shall be in accordance with good commercial practice and adequate to insure acceptance by common carrier and safe transportation at the most economical rates.

D. 02 MARKING

a. Each package, report or other deliverable shall be accompanied by a letter or the document which:

Identifies the contract by number under which item is being delivered.

Identifies the deliverable item number or Report Requirement which requires the delivered items(s)

Indicate whether the contractor considers the delivered item to be a partial or full satisfaction of the requirement.

b. For any package, report or other deliverable being delivered to a party other than the Contracting Officer, a copy of the document required in (a) above shall be simultaneously provided to the office administering the contract, as identified in Section G of the contract, or if none, to the Contracting Officer.

SECTION E INSPECTION AND ACCEPTANCE

E.01 INSPECTION

Inspection of all items under this contract shall be accomplished in writing by the Contracting Officer's Technical Representative (COTR), or any other duly authorized Government Representative.

E. 02 ACCEPTANCE

Acceptance of all work and effort under this contract shall be accomplished in writing by the Contracting Officer, or any duly appointed designee.

SECTION H

SPECIAL CONTRACT REQUIREMENTS

H.01 ITEMS BEING ACQUIRED, AND PRICES/COSTS

The contractor shall furnish all personnel, and other support services need for the services (except as may be expressly set forth in this contract as furnished by the Government). Such support services including personnel shall be in conformance with the terms and conditions of the contract as stated in Section C.

H.02 REPRESENTATION, CERTIFICATIONS AND ACKNOWLEDGMENTS

The Representations, Certifications and Acknowledgments of the offeror for the contract are hereby incorporated by reference.

H.03 Technical Direction

a. Performance of the work under this contract shall be subject to the technical direction of the FERC Contracting Officer's Representative identified elsewhere in this contract. The term "technical direction" is defined to include, without limitation:

1. Directions to the Contractor which implement the contract effort, Shift work emphasis between work areas or tasks, and fill in details or otherwise serve accomplish the contractual Statement of Work.
2. Provision of written information to the Contractor which assists in the interpretation of drawings, specifications, or technical portions of the work description.
3. Review and where required by the contract, approval of technical reports, drawings, specifications and other technical information to be delivered by the contractor to the Government under the contract.

- B. Technical direction must be within the scope of work stated in the contract. The Contracting Officer's Technical Representative does not have the authority to and may not issue any technical direction which:
1. Constitutes an assignment of additional work outside the Statement of Work;
 2. Constitutes a change as defined in the contract clause entitled "Changes"
 3. In any manner causes an increase or decrease in the total price or the time required for contract performance;
 4. Changes any of the expressed terms, conditions or specifications of the contract; or
 5. Interferes with the Contractor's right to perform the terms and conditions of the contract.
- C. Generally, technical directions shall be issued in writing by the Contracting Officer's Technical Representative.
- D. The Contractor shall proceed promptly with the performance of technical directions duly issued by the Contracting Officer's Technical Representative in the manner prescribed by this article and within his authority under the provisions of this clause. If, in the opinion of the Contractor, any instruction or direction by the Contracting Officer's Technical Representative falls within one of the categories defined in (B) (1) through (5) above, the Contractor shall not proceed but shall notify the Contracting Officer in writing within five (5) working days after receipt of any such instruction or direction and shall request the Contracting Officer to modify the contract accordingly. Upon receiving the notification from the Contractor, the Contracting Officer shall:
1. Advise the Contractor in writing within thirty (30) days after receipt of the Contractor's letter that the technical direction is within the scope of the contract effort and does not constitute a change under the "Changes" clause of the contract.
 2. Advise the Contractor within a reasonable time that the Government will issue a written change order.
- E. A failure of the Contractor and Contracting Officer to agree that the technical direction is within the scope of the contract, or a failure to agree upon the contract action to be taken with respect hereto shall be subject to the provisions of the clause entitled "Disputes - Alternate I" of the Contract Clauses Section I).

SECTION F DELIVERIES OR PERFORMANCE

F.01 PERIOD OF PERFORMANCE

The period of performance shall be from November 6, 2001 to April 8, 2002. The period of performance may be unilaterally extended in accordance with Section B. Clause B 003, of this contract.

F.02 PRINCIPAL PLACE OF PERFORMANCE

The principal place of performance shall be at the contractor's facility and the Government's facility.

F.03 SUMMARY OF DELIVERABLES

Deliverables are outlined in the Statement of Work in attachment II, of Section J attachment.

H.07 Modification of Authority

Notwithstanding any of the other provisions of this contract, the Contracting Officer shall be the only individual authorized to:

- a. accept nonconforming work,
- b. waive any requirement of this contract, or
- c. modify any term or condition of this contract

H.08 Government Property and Data

Except as otherwise authorized by the Contracting Officer in writing, the Contractor is not authorized to acquire as a direct charge item under this contract any equipment, furniture, fixtures or other personal property items.

H.09 Insurance

The contractor shall provide liability insurance coverage in accordance with FAR 28.307-2 for (i) worker compensation and employer's liability in compliance with Federal state workers compensation and occupational disease statutes; and (ii) bodily injury liability coverage of at least \$500,000 per occurrence. Evidence of insurance shall be provided to the Contracting Officer.

All insurance policies shall contain an endorsement that any cancellation or material change in the coverage adversely affecting the Government's interest shall not be effective unless the insurer or the Contractor gives written notice of cancellation or change as required by the Contracting Officer.

H.10 Key Personnel

The personnel specified below are considered to be essential to the work being performed hereunder. Prior to diverting any of the specified individuals to other project, the Contractor shall notify the Contracting Officer reasonably in advance and shall submit justification (including proposed substitution) in sufficient detail to permit evaluation of the impact on the project. No diversion shall be made by the Contractor without the written consent of the Contracting Officer.

SECTION II
CONTRACT DOCUMENTS, EXHIBITS, OR ATTACHMENTS

| <u>ITEM</u> | <u>DESCRIPTION</u> | <u>DATE</u> |
|-------------|--------------------|-------------|
| 1. | Statement of Work | |

SECTION C

STATEMENT OF WORK

Background

As part of its continued efforts toward the formation and implementation of Regional Transmission Organizations (RTOs), the Commission is undertaking a more detailed analysis of the benefits and costs in order to guide its remaining policy decisions. The Commission staff requires additional support in the preparation of this cost-benefit analysis to refine its estimates of the benefits of the RTO initiative and the associated costs as the Commission moves forward.

The RTO initiative built upon the foundation provided by Order 888 on wholesale competition in electric power transmission, and the Environmental Impact Statement (EIS) for Order 888. The modeling and analysis the EA for Order 2000 also provided overall estimates of the expected benefits of RTOs for the scenarios considered in the EA. The updated and more detailed cost-benefit analysis contemplated in this Statement of Work will build upon the earlier simulation modeling estimates for the EA, update these estimates and expand to incorporate a broad range of inputs including specific model scenarios and calculations needed to address the cost impact issues that are now facing the Commission in its decisions regarding RTO implementation and development.

Preparation of the cost-benefit analysis will include quantitative analysis using national scale computer simulation modeling with regional detail. In addition, the range of expected benefits will be assessed using quantitative and qualitative analysis which fall outside of the modeling system's capabilities. The precise nature of this analysis will be determined based on FERC staff work, questions raised by parties in comments regarding cost benefit issues and RTOs to the Commission or in other public forums, and the work conducted during the initial phase of the project.

Scope of Work

The contractor shall conduct the following tasks:

Framing, Base Case and Scenario Specification -Identify clearly the subject of the cost-benefit analysis, the bounds of this analysis, what tasks can be completed by extending the simulation modeling from the earlier cost analysis of the RTO proposal and what tasks will require related off line analysis. FERC will determine which impacts and issues are most important for investigation in the cost benefit analysis, while seeking

Run and Calibrate Base Case. After data collection and model development are complete, the contractor shall run and calibrate the model to current conditions and forecasts of future demand and fuel prices. FERC staff will review and comment on the base case model runs, and the contractor shall incorporate any resulting changes into a final base case.

Development of Scenarios. Along with the development of the base case, the contractor shall work closely with FERC staff to identify the best approaches to characterize the RTO policy initiative mechanisms for potential economic effects, based on the earlier model simulation analysis and updated to reflect current conditions and issues raised during the development of RTOs. These approaches will be incorporated into a set of scenarios to analyze the cost impact of RTOs. The contractor shall prepare analyses describing the conceptual basis for model scenarios and the specific assumptions to be used in each scenario.

Meetings. The contractor shall meet with the FERC project team at least once a week to discuss the overall status of the project and each of the active tasks, including any relevant results of modeling or analysis efforts and any potential concerns about project schedule. The contractor shall make arrangement to meet with the COTR to obtain additional direction and clarification on the task assignment. The contractor shall have technical staff and technical/informational materials available to support Commission staff when this support is needed to prepare internal FERC memoranda or reports related to the cost-benefit study. The contractor shall be prepared to allocate personnel to work at FERC, if deemed necessary by the COTR.

Model Runs and Impact Analysis.

Model Runs. After the development of the base case and the analyses needed to develop the scenario inputs the contractor shall make the model runs for the specified scenarios. The contractor shall plan to run the model for 6 scenarios, with the potential to revise this number after the problem has been framed. The contractor shall work closely with FERC staff in the review and analysis of these results.

Cost Impact Analysis. Cost-benefit impacts associated with the RTO initiative shall be produced primarily by the modeling system, including detailed results of power plant output and cost, and an analysis regional benefits and cost impacts. The contractor shall deliver to FERC analyses summarizing the economic cost and benefit changes associated with each scenario. This analysis shall also include any related analyses that are needed to determine the cost impacts on a regional basis for each of the scenarios. Full model outputs shall be made available to FERC staff electronically. Any other quantitative or qualitative analysis deemed necessary for inclusion by the COTR shall also be prepared by the contractor, and results provided in written analyses to FERC, and on an electronic basis when needed.

H.04 Subcontracts

Prior to the placement of subcontracts and in accordance with the clause, 52.244-2, "Subcontracts (Cost Reimbursement and Letter Contracts)", the Contractor shall insure that:

- a. They contain all the clauses of this contract, altered when necessary, which contain a requirement for such inclusion in applicable subcontracts.
- b. Any applicable Subcontractor Certificate of Current Cost or Pricing Data and Subcontractor Representatives and Certifications..
- c. Any required prior notice and description of the subcontract is given to the Contracting Officer and any required consent is received. Except as may be expressly set forth therein, any consent by the Contracting Officer to the placement of subcontracts shall not be construed to constitute approval of the Subcontractor or any subcontracting terms or conditions, determination of the allowability of any costs, revision of this contract or any or the respective obligations of the parties thereunder, or creation of any Subcontractor privity of contract with the Government.

H. 05 Reserved

H. 06 Organizational Conflicts of Interest

1. The contractor warrants that to the best of the contractor's knowledge and belief, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest, as defined in FAR 9.5, or that the Contractor has disclosed all such relevant information. For purpose of this contract the term "Organizational Conflict of Interest" means that a relationship or situation exists whereby an offeror or a contractor (including chief executives and directors, to the extent that they will or do become involved in the performance of the contract, and proposed consultants or subcontractors where they may be performing services similar to the services provided by the prime) has past, present, or currently planned interests that either directly or indirectly (through a client, contractual, financial, organizational or other relationship) may relate to the work to be performed under a Federal Energy Regulatory Commission contract which (a) may diminish the Contractor's capacity to give impartial, technically sound, objective assistance and advice, or (b) may result in it being at an unfair competitive advantage. This prohibition does not preclude the normal flow of benefits from the performance of the contract.

input from the contractor on analytic approached. The contractor will prepare a memorandum describing the results of these initial scoping efforts. This memorandum shall list the important impacts and issues, the types of analysis which will be addressed using the model simulation and those which will be addressed without direct use of the model. This task is important because it will also define the scope of the modeling and regional detail analyzed in the Base Case and Scenario modeling.

Base Case Development. The characterization of the base conditions is one of the most important tasks. The base case must reflect the conditions that would have prevailed with no action on RTOs, i.e., that of status quo implementation of Order 888 by the Commission without an RTO initiative. This base case will be based on the characterization of the base case for the cost and environmental analysis of the RTO proposal (the "EA") updated as needed to reflect current conditions and the cost impact needs of the analysis. The contractor shall work closely with FERC staff to develop a realistic base case which characterizes current utility dispatch, planning and other industry conditions important for analyzing the economic costs of the RTO initiative. There will be four subtasks within this task:

Specification of the Base Case. The contractor shall work with FERC in the development of the base case. The contractor shall provide a description of the data currently in IPM and other relevant modeling databases, key assumptions made by the model in manipulating the data, and an initial set of major base case input assumptions (such as electricity demand and natural gas prices) to be used in constructing the base case scenario. This specification may be provided as updates to the specification used in the environmental and cost analysis of the RTO proposal.

Data Collection. The contractor must have substantial and relevant data on electric utility power plants, fuel consumption and environmental factors and be able to incorporate these in the simulation model. Other data identified in the specification of the base case will be collected if required. The contractor shall prepare a memorandum summarizing these data, how it may be analyzed in the modeling framework, and the key premises underlying the modeling for the cost impact analysis.

Model Development and Modification. The contractor shall make model modifications to the extent that they are required by the specified scenarios. For example, the contractor may (a) make modifications to the model structure as required, and (b) develop spreadsheet or other analysis tools to pre-process data for entry into, or to post-process data output from the modeling system to address identified cost and benefit issues.

Run and Calibrate Base Case. After data collection and model development are complete, the contractor shall run and calibrate the model to current conditions and forecasts of future demand and fuel prices. FERC staff will review and comment on the base case model runs, and the contractor shall incorporate any resulting changes into a final base case.

Development of Scenarios. Along with the development of the base case, the contractor shall work closely with FERC staff to identify the best approaches to characterize the RTO policy initiative mechanisms for potential economic effects, based on the earlier model simulation analysis and updated to reflect current conditions and issues raised during the development of RTOs. These approaches will be incorporated into a set of scenarios to analyze the cost impact of RTOs. The contractor shall prepare analyses describing the conceptual basis for model scenarios and the specific assumptions to be used in each scenario.

Meetings. The contractor shall meet with the FERC project team at least once a week to discuss the overall status of the project and each of the active tasks, including any relevant results of modeling or analysis efforts and any potential concerns about project schedule. The contractor shall make arrangement to meet with the COTR to obtain additional direction and clarification on the task assignment. The contractor shall have technical staff and technical/informational materials available to support Commission staff when this support is needed to prepare internal FERC memoranda or reports related to the cost-benefit study. The contractor shall be prepared to allocate personnel to work at FERC, if deemed necessary by the COTR.

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Cost Impact Analysis. Cost-benefit impacts associated with the RTO initiative shall be produced primarily by the modeling system, including detailed results of power plant output and cost, and an analysis regional benefits and cost impacts. The contractor shall deliver to FERC analyses summarizing the economic cost and benefit changes associated with each scenario. This analysis shall also include any related analyses that are needed to determine the cost impacts on a regional basis for each of the scenarios. Full model outputs shall be made available to FERC staff electronically. Any other quantitative or qualitative analysis deemed necessary for inclusion by the COTR shall also be prepared by the contractor, and results provided in written analyses to FERC, and on an electronic basis when needed.

Deliverables

| Deliverable title | SOW Reference | Due Date |
|------------------------------|----------------------|----------------------------|
| 1. Framing Memorandum | Paragraph 2.1 | 20 Days After Award (DAA) |
| 2. Base Case/Scenario Report | Paragraph 2.3/2.4 | 50 DAA |
| 3. Meeting Reports | Paragraph 2.5 | 10 DAC(Meeting Completion) |
| 5. Model Run Results | Paragraph 3.1 | 75 DAA |
| 6. Cost Impact Report | Paragraph 3.2 | 90 DAA |

Description of Deliverable Documents

Ten copies of each of the deliverable documents must be provided to the COTR by the close of business on the dates indicated in the schedule. The deliverables shall also be provided on 3.5-inch floppy disk or CD-ROM.

All final documents shall be reviewed and edited by the contractor to ensure that the document is free of typographical and grammatical errors. Final documents shall be organized in a logical manner.

The contractor shall be responsible for demonstrating that the deliverables independently address all issues in sufficient detail to support cost impact conclusions and that all conclusions and recommendations contained within the final documents are adequately supported by its analyses or referenced documents.

The contractor shall inform the COTR of the format, proposed content and any edits of the deliverable documents for comments and approval. Further, the contractor shall be responsible for ensuring that final documents incorporate all comments, modification, and editing recommended by the COTR.

SECTION I
CONTRACT CLAUSES

SECTION I - COST REIMBURSEMENT - GENERAL

a. The following contract clauses of the Federal Acquisition Regulation (FAR) (1997 Edition), the full text of which will be made available upon request, are hereby incorporated in this contract by reference with the same force and effect as if set forth in full:

| <u>Clause No.</u> | <u>Title and Date</u> | <u>FAR Text</u> |
|-------------------|---|-----------------|
| 1 | Definitions (May 2001) () Alternate I (APR 1984) | 52.202-1 |
| 2 | Gratuities (APR 1984) | 52.203-3 |
| 3 | Covenant Against Contingent Fees (APR 1984) | 52.203-5 |
| 4 | Restrictions on Subcontractor Sales to the Government (JUL 1995) | 52.203-6 |
| 5 | Anti-Kickback Procedures (JUL 1995) | 52.203-7 |
| 6 | Price or Fee Adjustment for Illegal or Improper Activity (JAN 1997) | 52.203-10 |
| 7 | Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment (JUL 1995) | 52.209-6 |
| 8 | Material Requirements (Aug 2000) | 52.211-5 |
| 9 | Defense Priority and Allocation Requirements (SEP 1990) | 52.211-15 |
| 10 | Audit and Records – Negotiation June 1999 | 52.215-2 |
| 11 | Integrity of Unit Prices (OCT 1997) () Alternate I (OCT 1997) | 52.215-14 |
| 12 | Allowable Cost and Payment (Mar 2000) (Alternate I FEB 1997) | 52.216-7 |

| <u>Clause No.</u> | <u>Title and Date</u> | <u>FAR Text</u> |
|-------------------|---|-----------------|
| 13 | Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns (Oct 2000) | 52.219-8 |
| 14 | Notice to the Government of Labor Disputes (FEB 1997) | 52.222-1 |
| 15 | Contract Work Hours and Safety Standards Act-Overtime Compensation (Sept 2000) | 52.222-4 |
| 16 | Walsh-Healey Public Contracts Act (DEC 1996) | 52.222-20 |
| 17 | Equal Opportunity (Feb 1999 [Deviation]) | 52.222-26 |
| 18 | Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (APR 1998) | 52.222-35 |
| 19 | Affirmative Action for Workers with Disabilities (JUN 98) | 52.222-36 |
| 20 | Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (Jun 1999) | 52.222-37 |
| 21 | Drug-Free Workplace (May 2001) | 52.223-6 |
| 22 | | |
| 23 | Restrictions on Certain Foreign Purchases (Feb 2000) | 52.225-11 |
| 24 | Utilization of Indian Organizations and Indian-Owned Economic Enterprises (Jun 2000) | 52.226-1 |

| <u>Clause No.</u> | <u>Title and Date</u> | <u>FAR Text</u> |
|-------------------|--|-----------------|
| 25 | Notice and Assistance Regarding Patent and Copyright Infringement (AUG 1996) | 52.227-2 |
| 26 | Filing of Patent Applications - Classified Subject Matter (APR 1984) | 52.227-10 |
| 27 | Insurance - Liability to Third Persons (MAR 1996) | 52.228-7 |
| 28 | Limitation on Withholding of Payments (APR 1984) | 52.232-9 |
| 29 | Interest (JUN 1996) | 52.232-17 |
| 30 | Assignment of Claims (JAN 1986) () Alternate I (APR 1984) | 52.232-23 |
| 31 | Prompt Payment (May 2001) | 52.232-25 |
| 32 | Disputes (Dec 1998) () Alternate I (DEC 1991) | 52.233-1 |
| 33 | Protest After Award (AUG 1996) () Alternate I (JUN 1985) | 52.233-3 |
| 34 | Notice of Intent to Disallow Costs (APR 1984) | 52.242-1 |
| 35 | Bankruptcy (JUL 1995) | 52.242-13 |
| 36 | Stop-Work Order (AUG 1989) () Alternate I (APR 1984) | 52.242-15 |
| 37 | Subcontracts (AUG 1998) () Alternate I (AUG 1998) () Alternate II (AUG 1998) | 52.244-2 |
| 38 | Competition in Subcontracting (DEC 1996) | 52.244-5 |

| <u>Clause No.</u> | <u>Title and Date</u> | <u>FAR Text</u> |
|-------------------|--|-----------------|
| 39 | Government Property (Cost Reimbursement, Time-and-Material, or Labor-Hour Contracts)(JAN 1986) (Deviation SEP 97) () Alternate I (JUL 1985) | 52.245-5 |
| 40 | Commercial Bill of Lading Notations (APR 1984) | 52.247-1 |
| 41 | Preference for US-Flag Air Carriers (JAN 1997) | 52.247-63 |
| 42 | Termination (Cost Reimbursement) (SEP 1996) | 52.249-6 |
| 43 | Excusable Delays (APR 1984) | 52.249-14 |
| 44 | Clauses Incorporated by Reference (FEB 1998) | 52.252-2 |
| 45 | Computer Generated Forms (JAN 1991) | 52.253-1 |

b. The following contract clauses of the Federal Acquisition Regulation (FAR) (1997 Edition), the full text of which will be made available upon request, are hereby incorporated in this contract by reference with the same force and effect as if set forth in full when the clause is preceded by an "X" in the "Effect" column (clauses preceded by "N/A" are inapplicable to this acquisition):

| <u>Clause No.</u> | <u>Effect</u> | <u>Title and Date</u> | <u>FAR Text</u> |
|-------------------|---------------|--|-----------------|
| 1 | X | Cancellation, Recession, and Recovery of Funds for Illegal or Improper Activity (Jan 1997) | 52.203-8 |
| 2 | X | Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (APR 1991) | 52.203-11 |
| 3 | X | Limitation on Payments to Influence Certain Federal Transactions (JUN 1997) | 52.203-12 |

| <u>Clause No.</u> | <u>Effect</u> | <u>Title and Date</u> | <u>FAR Text</u> |
|-------------------|---------------|--|-----------------|
| 4 | X | Security Requirements (Aug 1996) () Alternate I (APR 1984) () Alternate II (APR 1984) | 52.204-2 |
| 5 | X | Printing/Copying Double Sided on Recycled Paper (Aug 2000) | 52.204-4 |
| 6 | X | Order of Precedence - Uniform Contract Format (OCT 1997) | 52.215-8 |
| 7 | N/A | Changes or Additions to Make-or-Buy Program (OCT 1997) () Alternate I (OCT 1997) () Alternate II (OCT 1997) | 52.215-9 |
| 8 | X | Price Reduction for Defective Cost or Pricing Data (OCT 1997) | 52.215-10 |
| 9 | N/A | Price Reduction for Defective Cost or Pricing Data - Modifications(OCT 1997) | 52.215-11 |
| 10 | X | Subcontractor Cost or Pricing Data (OCT 1997) | 52.215-12 |
| 11 | N/A | Subcontractor Cost or Pricing Data-Modifications (OCT 1997) | 52.215-13 |
| 12 | X | Termination of Defined Benefit Pension Plans (OCT 1997) | 52.215-15 |
| 13 | X | Facilities Capital Cost of Money (OCT 1997) | 52.215-16 |
| 14 | N/A | Waiver of Facilities Capital Cost of Money (OCT 1997) | 52.215-17 |
| 15 | X | Reversion or Adjustment of Plans for Postretirement Benefits(PRB) Other Than Pensions (OCT 1997) | 52.215-18 |

| <u>Clause No.</u> | <u>Effect</u> | <u>Title and Date</u> | <u>FAR Text</u> |
|-------------------|---------------|--|-----------------|
| 16 | X | Notification of Ownership Changes (OCT 1997) | 52.215-19 |
| 17 | X | Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data (OCT 1997) () Alt I (OCT 1997) (see proposal instructions for format) () Alt II (OCT 1997)(see instructions for ACO/Auditor addresses) () Alt III (OCT 1997) (applies if submission by electronic media is required) () Alt IV (OCT 1997)(SF 1411 not required; information other than cost or pricing data is required) | 52.215-20 |
| 18 | | Requirements for Cost or Pricing Data or Information Other Than Cost Or Pricing Data - Modifications(OCT 1997) () Alt I (OCT 1997) (see proposal instructions for format) () Alt II (OCT 1997)(see instructions for ACO/Auditor addresses) () Alt III (OCT 1997) (applies if submission by electronic media is required) () Alt IV (OCT 1997)(SF 1411 not required; information other than cost or pricing data is required) | 52.215-21 |
| 19 | X | Fixed Fee (MAR 1997) | 52.216-8 |
| 20 | N/A | Incentive Fee (MAR 1997) | 52.216-10 |
| 21 | N/A | Cost Contract - No Fee (APR 1984) | 52.216-11 |
| 22 | N/A | Cost Sharing Contract - No Fee (APR 1984) | 52.216-12 |

| <u>Clause No.</u> | <u>Effect</u> | <u>Title and Date</u> | <u>FAR Text</u> |
|-------------------|---------------|--|-----------------|
| 23 | X | Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (Oct 2000) | 52.219-9 |
| 24 | N/A | Liquidated Damages Subcontracting Plan (Jan 1999) | 52.219-16 |
| 25 | N/A | Payment for Overtime Premiums (JUL 1990) The overtime premium is <u>0</u> . | 52.222-2 |
| 26 | X | Convict Labor (AUG 1996) | 52.222-3 |
| 27 | N/A | Clean Air and Water (Reserved) | 52.223-2 |
| 28 | N/A | Pollution Prevention and Right-to-Know Information (May 2001) | 52-223-5 |
| 29 | N/A | Duty Free Entry (APR 1984) | 52.225-10 |
| 30 | X | Patent Rights - Retention by the Contractor (Short Form) (JUN 1997) | 52.227-11 |
| 31 | N/A | Patent Rights - Retention by the Contractor (Long Form) (JAN 1997) | 52.227-12 |
| 32 | N/A | Patent Rights - Acquisition by the Government (JAN 1997) | 52.227-13 |
| 33 | N/A | Additional Bond Security(OCT 1997) | 52.228-2 |
| 34 | X | Workers' Compensation Insurance (Defense Base Act) (APR 1984) | 52.228-3 |
| 35 | X | Taxes - Foreign Cost - Reimbursement Contracts (MAR 1990) | 52.229-8 |
| 36 | X | Cost Accounting Standards (APR 1998) | 52.230-2 |

| <u>Clause No.</u> | <u>Effect</u> | <u>Title and Date</u> | <u>FAR Text</u> |
|-------------------|---------------|---|-----------------|
| 37 | X | Disclosure and Consistency of Cost Accounting Practices (APR 1998) | 52.230-3 |
| 38 | X | Consistency in Cost Accounting Practices (AUG 1992) | 52.230-4 |
| 39 | N/A | Cost Accounting Standards- Educational Institution (APR 1998) | 52.230-5 |
| 40 | X | Administration of Cost Accounting Standards (Nov 1999) | 52.230-6 |
| 41 | X | Limitation of Cost (APR 1984) | 52.232-20 |
| 42 | TBD | Limitation of Funds (APR 1984) | 52.232-22 |
| 43 | TBD | Mandatory Information for Electronic Funds Transfer Payment Method (AUG 1996) | 52.232-33 |
| 44 | X | Optional Information for Electronic Funds transfer payment (AUG 1996) | 52.232-34 |
| 45 | X | Protection of Government Buildings, Equipment, and Vegetation (APR 1984) | 52.237-2 |
| 46 | N/A | F.O.B. Origin - Government Bills of Lading or Prepaid Postage (APR 1984) | 52.242-10 |
| 47 | N/A | F.O.B. Origin - Government Bills of Lading or Indicia Mail (FEB 1993) | 52.242-11 |
| 48 | N/A | Report of Shipment (REPSHIP) (JUL 1995) | 52.242-12 |
| 49 | X | Subcontracts for Commercial Items and Commercial Components (APR 1998) | 52.244-6 |